



Oregon

Kate Brown, Governor

Public Utility Commission

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December 27, 2022



BY EMAIL

Northwest Natural Gas Company

efiling@nwnatural.com

RE: Advice No. 22-21

At the public meeting on December 27, 2022, the Commission adopted Staff's recommendation in this matter docketed as ADV 1457. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 27, 2022**

REGULAR **CONSENT** **EFFECTIVE DATE** January 1, 2023

DATE: December 19, 2022

TO: Public Utility Commission

FROM: Mitchell Moore

THROUGH: Bryan Conway, Marc Hellman, and Matt Muldoon **SIGNED**

SUBJECT: NORTHWEST NATURAL:
(Docket No. ADV 1457/Advice No. 22-21)
Revises Schedule 301, Public Purposes Funding Surcharge.

STAFF RECOMMENDATION:

Staff recommends the Commission approve changes to Northwest Natural Gas Company's (NW Natural, NWN, or Company) Schedule 301, Public Purposes Funding Surcharge, effective with service on and after January 1, 2023.

DISCUSSION:

Issue

Whether the Commission should approve NW Natural's proposed revisions to Schedule 301, decreasing the Public Purposes Funding Surcharge from 4.18 percent to 3.93 percent.

Applicable Law

The Public Purposes Funding Surcharge came about through Commission Order 02-634, which adopted a partial decoupling mechanism for NW Natural and transferred the non-low-income energy efficiency programs to Energy Trust of Oregon (ETO). The order states, "...NW Natural agrees to transfer the responsibility for its energy efficiency, demand-side management (DSM) programs, and energy audits to the Energy Trust of Oregon, or to another independent entity approved by the

Commission.”¹ And further states, “through an adjustment schedule, NW Natural will collect energy efficiency, DSM, and energy audit costs on behalf of ETO...”²

Under ORS 757.205(1), all rates, tolls and charges must be filed with the commission. The Commission may approve tariff changes if they are deemed to be fair, just and reasonable. ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission’s administrative rules, including OAR 860-022-0025. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Filings that propose any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the change. ORS 757.220; OAR 860-022-0015. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

Analysis

On November 17, 2022, NW Natural filed Advice No. 22-21, relating to the public purpose charge applied to Residential bills and Commercial bills.

NW Natural is requesting to revise the portion of public purpose funds allocated to the ETO. The filing proposes to decrease this portion of the public purpose funding surcharge from 4.18 percent to 3.93 percent for both residential and commercial customers. The change will provide the Energy Trust of Oregon (ETO) with approximately \$31.2 million of total program funding in 2023, which is sufficient to acquire nearly 4.7 million therm savings. The table on the next page shows the proposed impacts on the different customer classes.

¹ Order No. 02-634 at p.5.

² Order No. 02-634 at p.5.

Rate Class	Rate Schedule	No. of Customers	Average Monthly Bill Change	Average Monthly Bill %
Residential	2	631,884	-\$0.18	-0.2%
Commercial	3	58,963	-\$0.74	-0.2%
Commercial	27	1,576	-\$0.15	-0.2%
Commercial Firm	31	637	-\$6.71	-0.2%

This filing makes no change to the Company's operating revenue.

The proposed funding levels were developed through discussions with the ETO as the levels needed to achieve 2023 energy efficiency program funding requirements and are needed to acquire all cost-effective energy efficiency in 2023. The revision represents a decrease to the average Residential monthly bill by \$0.18 cents per month. The revision will decrease an average Commercial monthly bill by \$0.74 cents per month.

Conclusion

Staff has reviewed this filing and supports the tariff revisions for collections that support public purpose funding for energy efficiency programs delivered and administered by the Energy Trust of Oregon.

The Company has reviewed this memo and has stated no objections.

PROPOSED COMMISSION MOTION:

Approve the changes to Northwest Natural's Schedule 301, Public Purposes Funding Surcharge for service rendered on and after January 1, 2023.

NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Tenth Revision of Sheet 301-1
Cancels Ninth Revision of Sheet 301-1

SCHEDULE 301 PUBLIC PURPOSES FUNDING SURCHARGE

PURPOSE:

To specify the method of billing of a Public Purposes surcharge that is to fund public purposes activities to be administered through one or more independent entities. Public purposes activities include, but may not necessarily be limited to, energy efficiency programs, market transformation programs, residential low-income energy efficiency programs, and residential low-income bill payment assistance programs designed to benefit Residential and Commercial Customers within NW Natural's service territory in Oregon.

APPLICABLE:

To Residential and Commercial Customers served on the following Rate Schedules of this Tariff:

Residential	Commercial
Rate Schedule 2	Rate Schedule 3 (03CSF)
	Rate Schedule 27 (27R)
	Rate Schedule 31 (31CSF)

ADJUSTMENT TO RATES: Effective: January 1, 2023 (C)

A Public Purposes surcharge will be assessed on the total energy use billed (the total of the Customer Charge plus the per therm usage charges) and shown as a line item on each customer's monthly bill as follows:

Residential: 5.53% of the total energy use billed (R)
Commercial: 4.78% of the total energy use billed (R)

The funds collected from such Public Purposes surcharge shall be allocated to specific separate accounts to fund the specified public purposes program(s) as follows:

RESIDENTIAL:

3.93% will support public purpose funding for **Schedule 350** energy efficiency programs delivered and administered by the Energy Trust of Oregon (Energy Trust). (R)

0.75% will support public purpose funding for **Schedule 310** low-income bill payment assistance activities.

0.85% will support public purpose funding for **Schedule 320** low-income energy efficiency activities.

COMMERCIAL:

3.93% will support public purpose funding for **Schedule 350** energy efficiency programs delivered and administered by the Energy Trust. (R)

0.85% will support public purpose funding for **Schedule 320** low-income energy efficiency activities.

(continue to Sheet 301-2)

Issued November 17, 2022
NWN OPUC Advice No. 22-21

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Effective with service on
and after January 1, 2023